The background features a stylized, glowing orange and yellow circular emblem with intricate patterns, resembling a globe or a complex network. The text is centered over this emblem.

***DEPARTMENT OF  
COMMERCE***

Thomas Gronstal,  
Director

# ***DIVISIONS OF COMMERCE***

- Alcoholic Beverages
- Banking/Professional Licensing
- Credit Union
- Insurance
- Utilities



# ***Commerce***

- The Department of Commerce was created to coordinate and administer the various regulatory, service and licensing functions of the state relating to the conduct of business or commerce in the state.
  - The chief administrative officer of the department is the director. The director is appointed by the Governor from among those individuals who serve as heads of the divisions with the department. The director fulfills the responsibilities and duties of the director in addition to the individual's responsibilities and duties as head of the division.

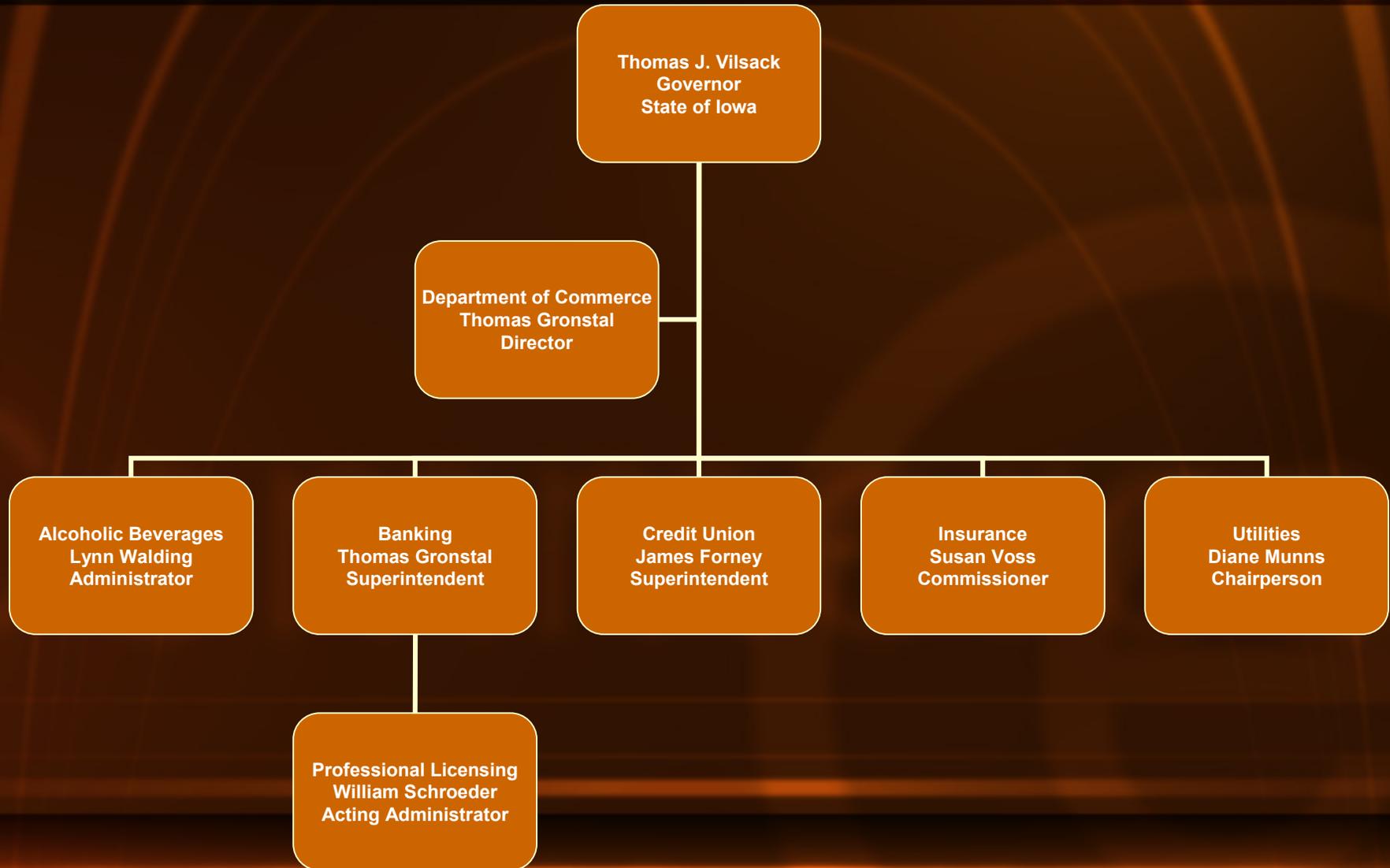
# ***Mission***

- The mission of the Iowa Department of Commerce is to serve Iowans by efficiently and effectively providing for a fair, flexible and positive regulatory environment for consumer service industries.

# ***Commerce is committed to:***

- Fostering an environment conducive to sound economic development in Iowa;
- Maintaining public confidence in the integrity of the regulated industries and professions;
- Establishing policies which protect the public interest while balancing the interests of consumers, industries and professions;
- Pursuing regulatory objective in a manner that minimizes the costs and complexities of regulation without sacrificing quality;
- Identifying competitive opportunities and deregulating where appropriate;
- Providing direct services and information to the public to assist them in responding to the impact of the regulated industry, profession or regulator.

# DEPARTMENT OF COMMERCE



# ***Alcoholic Beverages***

- *The Alcoholic Beverages Division*
  - Issues beer permits and liquor licenses
  - Regulates the alcoholic beverages industry
  - Supplies retailers with alcohol
  - Enforces Iowa's tobacco laws
  - Issued 8,000 beer permits and liquor licenses
  - Collected \$120,000 in civil fines
  - Distributed \$133 million of spirits to 483 Class E liquor licensees
  - Oversaw 5,323 retail tobacco checks with an 89% compliance rate

# FISCAL YEAR 2004 REVENUE GENERATED

## \$76,059,326



Alcohol Sales  
\$48,246,080 (64%)



Excise Tax on Beer  
\$14,039,187 (19%)



Liquor License Fees  
\$8,740,975 (11%)



Excise Tax on Wine  
\$4,912,591 (6%)



Civil Penalties  
\$120,493 (<1%)

# FISCAL YEAR 2004 REVENUE TRANSFERRED

## \$76,059,326



General Fund  
\$63,123,329 (83%)



Substance Abuse Programs  
\$10,166,304 (13%)



Local Programs, City and County  
\$2,668,076 (4%)



Iowa Beer and Wine Promotion  
\$101,717 (<1%)

## The Iowa Alcoholic Beverages Division's Revenue Contribution (07/01/87 – 01/01/05):

### REVENUE GENERATED



**TOTAL: \$964.8 MILLION**

# ***Banking/Professional Licensing***

- *The Division of Banking*
  - Charters and regulates 351 commercial banks.
  - Licenses and regulates 232 regulated loan companies, 207 delayed deposit businesses, 111 industrial loan companies, 23 debt management companies, 763 mortgage bankers, brokers and registrants, and 29 money servicers.
  - Is wholly supported by its regulated entities.
  - If the Division spends less than its appropriation, the smaller amount is charged to the parties.
  - May not charge more than it spends; therefore, if its appropriation is cut, the amount it can collect from the parties is cut by an equal amount.

- *The Professional Licensing Division*

- Was created to be a self-supporting agency by bringing six Boards/Commissions together.
- Has the responsibility of protecting the citizens of Iowa in their dealings with members of the professions under its jurisdiction: Accountants, Architects, Engineers and Land Surveyors, Landscape Architects, Real Estate Agents and Real Estate Appraisers.
- Regulates 30,000 licensees, administers uniform national exams to more than 2000 candidates yearly, registers some 1000 new individuals, and renews 13,000 individuals and firms annually.

# ***Credit Union***

- *The Credit Union Division*
  - Administrates and executes the laws of the State of Iowa relating to credit unions so as to effectively safeguard the interests of the depositors and shareholders of those organizations.
  - Key services are regulation and compliance through our risk-focused supervision and examination program which identifies, measures, monitors, and controls unacceptable levels of risk. Our performance target is to perform 80 examinations annually for Iowa Code Chapter 533.6 compliance.
  - Is wholly supported by its regulated entities.
  - Receives its appropriation from the General Fund and then allocates and charges its direct expenses to the credit unions that it charters.
  - If the Division spends less than its appropriation, the smaller amount is charged to the parties.
  - May not charge more than it spends; therefore, if its appropriation is cut, the amount it can collect from the parties is cut by an equal amount.

# ***Insurance***

- *The Insurance Division*
  - Supervises Iowa's insurance and securities markets, as well as a number of miscellaneous industries through our Regulated Industries Unit.
  - Regulates many aspects of the insurance market place, including the policy forms that are used; the rates charged; sales, underwriting, and claims settlement practices; and licensing of agents.
  - Consumer Affairs Bureau also investigates problems consumers have with their agents or insurers.
  - Financial Regulation Bureau is funded by assessments to the parties it regulates; five bureaus receive appropriation from General Fund; Senior Health Insurance Program receives federal grant.

# *Utilities*

- *The Utilities Board*

- Is composed of three members, appointed by the Governor and subject to confirmation by the Senate. Only two members can be from the same political party.
- Members are appointed to six year staggered terms.
- Chairman is appointed by the Governor for a two year term and serves as the administrative head of the Utilities Division.
- Is wholly supported by its jurisdictional utilities and other parties that appear before it.
- Receives its appropriation from the General Fund and then allocates and charges its direct expenses to the parties that appear before the Board.
- If the Division spends less than its appropriation, the smaller amount is charged to the parties.
- May not charge more than it spends; therefore, if its appropriation is cut, the amount it can collect from the parties is cut by an equal amount.

# Utilities

- *The Utilities Board*

- Goals:

- Must assure that public utilities within its rate regulatory jurisdiction charge just and reasonable rates and that all public utilities within the Board's jurisdiction provide reasonably adequate service and facilities.
    - Strives, under its statutory mandates, to make utility service in Iowa an engine for positive economic change. This includes a competitive telecommunications infrastructure and the necessary energy to fuel growth.
    - There is a growing trend toward utility policy development at the federal and regional levels. Iowa's interest must be advanced at both levels. To that end the Board devotes significant resources to leading and serving on national and regional bodies.

## Appropriations from General Fund

| <i>Appropriations</i>                                       | <i>FY 2004<br/>Actuals</i> | <i>FY 2005<br/>Current Year<br/>Budget Estimate</i> | <i>FY 2006<br/>Total Department<br/>Request</i> | <i>FY 2006<br/>Total Governor's<br/>Recommended</i> |
|---|----------------------------|---|---|---|
| <b>Alcoholic Beverages Operations</b>                       | 1,876,497                  | 1,883,441   | 1,882,081                                       | 1,883,441   |
| <b><i>Total Alcoholic Beverages</i></b>                     | 1,876,497                  | 1,883,441   | 1,882,081                                       | 1,883,441   |
| <b>Banking Division</b>                                     | 6,360,637                  | 6,364,545   | 6,361,824                                       | 7,705,691   |
| <b><i>Total Banking Division</i></b>                        | 6,360,637                  | 6,364,545   | 6,361,824                                       | 7,705,691   |
| <b>Credit Union Division</b>                                | 1,380,786                  | 1,382,568   | 1,381,910                                       | 1,382,568   |
| <b><i>Total Credit Union Division</i></b>                   | 1,380,786                  | 1,382,568   | 1,381,910                                       | 1,382,568   |
| <b>Insurance Division</b>                                   | 3,860,184                  | 3,870,891   | 3,924,281                                       | 4,369,854   |
| <b>School Health Insurance Reform</b>                       | 14,662                     | 0   | 0   | 0   |
| <b>Maintenance of Critical Health Care Fund</b>             | 0                          | 0   | 0   | 1,000,000   |
| <b><i>Total Insurance Division</i></b>                      | 3,874,846                  | 3,870,891   | 3,924,281                                       | 5,369,854   |
| <b>Professional Licensing Division</b>                      | 857,665                    | 782,671   | 782,364   | 0   |
| <b><i>Total Professional Licensing &amp; Regulation</i></b> | 857,665                    | 782,671   | 782,364   | 0   |
| <b>Utilities Division</b>                                   | 6,894,696                  | 6,898,108   | 7,075,124                                       | 7,000,000   |
| <b><i>Total Utilities Division</i></b>                      | 6,894,696                  | 6,898,108   | 7,075,124                                       | 7,000,000   |